WELLS FARGO Advisors

How to help keep your retirement savings on track

Any Questions?
Call (949) 862-1233
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Make saving for retirement a priority

In your peak earning years, it's important to stay on track with your retirement savings. There are likely to be fewer pensions and other sources of reliable income; therefore, much of your retirement income will come from your personal savings. Now is the time to continue to stay focused on maximizing your retirement savings.

Stay on target

To help keep your retirement savings on target, you may need to consider:

- Resisting the urge to cut back on retirement saving to meet other expenses or accommodate other goals.
- At least annually reviewing and adjusting your saving and investing goals. Continue to manage your asset allocation to stay aligned with your long-term goals, even during periods of market uncertainty.
- Putting part or all of any bonuses, tax refunds, or other lump-sum payments into your retirement savings.

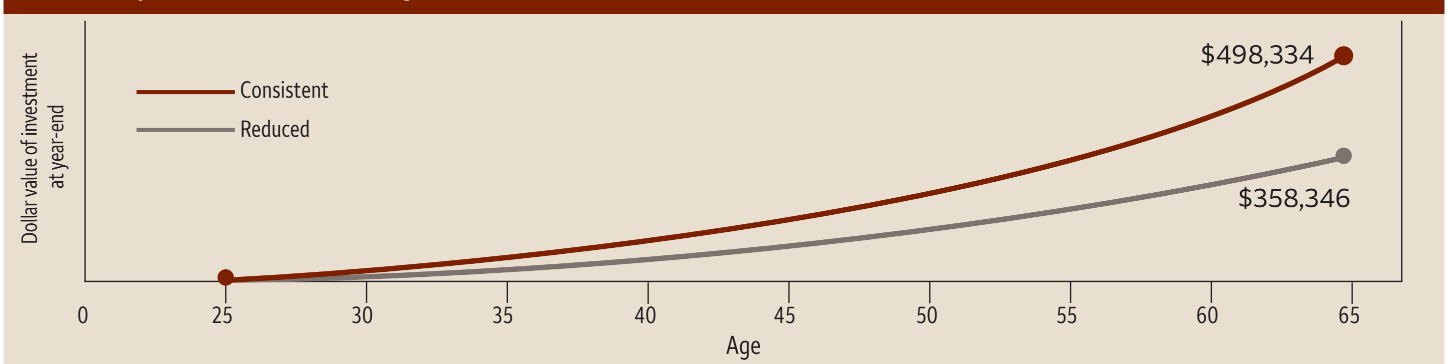
Make your qualified employer sponsored retirement plan (QRP) work for you

- Consider contributing up to the maximum allowable amount in your QRP, such as a 401(k), 403(b), or governmental 457(b) plan. This can help fund your retirement as well as reduce your taxable income.
- If you are unable to contribute the maximum amount and your employer offers a matching contribution program, try to contribute at least as much as the match—otherwise, you are leaving free money on the table.
- Avoid taking loans from your 401(k).

You can contribute to an IRA whether you contribute to a QRP or not.

Assume you invested $400 a month in a tax-deferred saving plan earning 4% from age 25 to 35. Between the ages of 35 and 65, you reduced your investments to $200 per month. By cutting back, you would have nearly $140,000 less for retirement.[†]

Don't lose your retirement investing momentum



[†] The above is for illustrative purposes only. It does not reflect the performance of any specific investment and ignores the impact of taxes. Monthly investments occur at the beginning of each month and are calculated on a 4% annual yield.

Investment and Insurance Products: ▶ NOT FDIC Insured ▶ NO Bank Guarantee ▶ MAY Lose Value

Invest on your own as well as at work

Whether or not you contribute the maximum in a 401(k) or other QRP at work, you may want to also consider:

- Investing money from each paycheck in a brokerage or savings account.
- Funding an IRA. An IRA can help supplement those savings and gain access to a potentially wider range of investment options. You may also want to consider opening an IRA if your employer does not offer a QRP, or if you are self-employed.

There are two main types of IRAs—Traditional and Roth—each with distinct features:

- Traditional IRA—Offers *tax-deferred* growth potential. You pay no taxes until you take a distribution.[1] Depending on your income, your contribution may be tax-deductible.
- Roth IRA—Offers *tax-free* growth potential. Earnings are distributed tax-free, if certain conditions are met.[1] Contributions are not tax-deductible, regardless of income.
- If you have children, consider establishing a tax-advantaged Coverdell education savings account or a 529 plan to help pay for college expenses.

When changing jobs, evaluate options for your retirement plan savings

Your retirement savings may provide a substantial part of your income in retirement. Whether you're starting a new job or have been displaced, you should learn the options for these assets. Each of these options has advantages and disadvantages. The one that is best, depends on your individual circumstances. You should consider each option's features, such as investment choices, fees and expenses, and services offered.

Think about preparing yourself for the unexpected

Life often brings changes and surprises, and it's never too early to prepare for unforeseen events.

- Consider setting aside three to six months' expenses in a money market or similar account that can be accessed easily.
- Couples should consider maintaining separate accounts such as checking, brokerage, or savings in their own names.
- Think about protecting any family members you support financially by maintaining your appropriate level of life insurance.[2]
- Ensure that your homeowner's insurance coverage keeps pace with your real assets.
- Even if your company offers disability insurance, consider purchasing your own policy, too, to be sure you have sufficient coverage.
- You may be dealing with long-term care insurance decisions with your parents, but it is also something you should consider for yourself. As with life insurance, it is normally less expensive the younger you are. Long-term care insurance may help you in retirement and it may also help protect you financially if you experience an accident or injury or develop a chronic disease.

Create a will, update beneficiaries

An up-to-date Last Will and Testament is important, regardless of your financial situation. You may also want to talk to your family and your doctor about what to do if you become seriously ill or injured and are unable to make your own decisions about medical treatment. Creating a living will can help ensure your wishes are carried out.[3]

Periodically review your beneficiary designations on any IRAs, QRPs, annuities, and life insurance policies with your financial and other advisors. Any life event such as death of a beneficiary, divorce, marriage, or birth of a child or grandchild may be a reason to update your beneficiaries.

> Beneficiary designations on any IRAs, QRPs, annuities, and life insurance policies supersede any instructions in your will or trust, so be sure they are up to date.

Manage your debt

- Effective use of debit and credit cards can help you monitor your expenses and might also offer the advantages of reward programs.
- Before you borrow, carefully analyze the impact any major purchases may have on your cash flow.
- As you pay off debt, direct the money you save into your emergency fund or retirement savings.

With you every step of the way

Everyone has a different vision of retirement that requires a unique financial strategy. Wells Fargo Advisors can support you in your retirement planning process by providing the guidance needed to make more informed choices. We will meet with you and help create a comprehensive plan that takes into account your complete financial picture. Your Financial Advisor will be with you every step of the way to help you review your progress and adapt your plan as needed. Working together, we'll design and implement a retirement plan that can help you live out your unique vision of retirement.

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[1]Traditional IRA distributions are taxed as ordinary income. Qualified Roth IRA distributions are not subject to state and local taxation in most states. Qualified Roth IRA distributions are also federally tax-free provided a Roth account has been open for at least five years and the owner has reached age 59½ or meets other requirements. Distributions from Traditional and Roth IRAs may be subject to an IRS 10% additional tax if distributions are taken prior to age 59½.

[2]Insurance products are offered through non-bank insurance agency affiliates of Wells Fargo & Company and are underwritten by unaffiliated insurance companies.

[3]Wells Fargo Advisors is not a legal or tax advisor. However, its Financial Advisors will be glad to work with you, your accountant, tax advisor, and/or lawyer to help you meet your financial goals.

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